



# OIL AND GAS EQUIPMENT

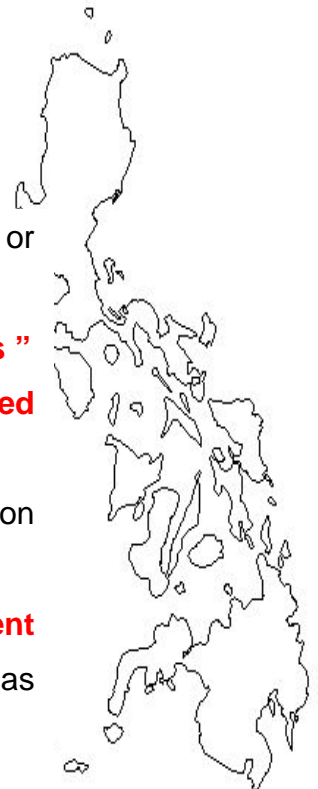
## Market Overview

- The Philippines has **16** sedimentary basins with a combined potential of **4,777 million** barrels of fuel oil equivalent (**BFOE**).
- Oil, natural gas and condensate inventory is estimated at **9.0 trillion BFOE**.
- Proven Oil Reserves: **152 million barrels**
- Natural Gas Reserves: **3.8 trillion cubic feet**
- A recent change in Mining Law is expected to **dramatically increase exploration and drilling investments**.



## Competition

- **US equipment brands figure prominently** and are represented by local or regional agents.
- U.S. multinationals lead the Philippine market in offering “**packaged solutions**”
- In the equipment market, significant competition exists from the **United Kingdom, France and Australia**.
- Recently, **India and China have entered equipment markets**, competing on price, though quality and safety issues remain.
- Philippine-based buyers or Service Contract owners **source major equipment** and service requirements from **suppliers in Singapore**, the hub for oil and gas activities in the Southeast Asian region.



## Sub Sectors

- **Packaged Solutions** - Comprehensive array of equipment and services sourced from different suppliers or service providers and offered as a package
- **Equipment**
  - ✓ Well head equipment
  - ✓ Sub-surface equipment (e.g. pumps)
  - ✓ Mud equipment and accessories
  - ✓ Derricks and accessories
- **Services**
  - ✓ Geophysical- Seismic, magnetic and gravity services
  - ✓ Surveying
  - ✓ Drilling Services
  - ✓ Geological consultancy
- **Ancillary Services**
  - ✓ Logistics
  - ✓ Manpower
  - ✓ Repairs and servicing of platforms
  - ✓ Documentation
  - ✓ Liaison with regulatory bodies

## Commercial Opportunities

- Philippine Department of Energy currently has more than **14 active oil and gas survey and exploration service contracts**, ranging in activity from data acquisition to appraisal well drilling.
- A recent change in the Mining Law has resulted in **3 new oil and gas exploration SCs** and **\$28 million** in **new project investment** in 1<sup>st</sup> Quarter of 2005.



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